

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 PA-01 PRS-01

USIA-06 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 NEA-10 IO-10 EUR-12 /114 W

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R 190910Z AUG 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6661

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USADB

FOR NAC AGENCIES

E.O. 11652: GDS

TAGS: EIAD, EFIN

SUBJECT: ADB ESTIMATES FOR CONSULTING SERVICES

REF: A) TRSY 75-132; B) MANILA 10854; C) TRSY 75-139;

D) MANILA 10223

1. FOLLOWING INSTRUCTIONS PER REF C TO QUESTION ADB'S  
ESTIMATED HIGH AVERAGE AMOUNTS FOR CONSULTING SERVICES,  
MATTER WAS TAKEN UP WITH ADB STAFF PRIOR TO AUG. 14 BD.  
MEETING AND ALSO AT BD. MEETING.

2. STAFF REPLY WAS THAT BANK AND EXECUTING AGENCIES  
ENGAGES TWO CATEGORIES OF CONSULTANTS, INDIVIDUAL EXPERTS  
(I.E. SELF-EMPLOYED, GOVERNMENT AND NON-PROFIT INSTITUTION  
OFFICIALS OR ACADEMIC FACULTY) AND MEMBERS OF PROFESSIONAL  
CONSULTING FIRMS. STAFF NOTED THAT FEES FOR  
INDIVIDUAL CONSULTANTS ARE NOW IN \$2500-3000  
MONTHLY RANGEWHILE FIRMS CHARGE ABOUT DOUBLE THAT  
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AMOUNT TO COVER OVERHEAD, HOME OFFICE BACK-

STOPPING AND PROFIT. STAFF  
ASSERTED RECENT COMPARISONS  
WITH EUROPEAN DEVELOPMENT FUND, WHO, UNDP, IBRD, AND  
IDB, INDICATED ADB IS PAYING ON AVERAGE ABOUT 5  
PERCENT LESS THAN THOSE AGENCIES FOR EQUIVALENT  
CONSULTING SERVICES.

3. STAFF EXPLANATION CONTINUED WITH OBSERVATION BANK  
UNABLE ANTICIPATE IN ADVANCE IN MOST CASES IF  
INDIVIDUALS OR FIRM WIL BE ENGAGED, HENCE MUST USE  
HIGHER MAN/MONTH REMUNERATION ESTIMATE FIGURE, TO  
WHICH IS ADDED COST OF REPORT/DOCUMENT PREPARATION,  
PER DIEM AND TRAVEL EXPENSES VARIABLE ACCORDING TO  
COUNTRY OF ASSIGNMENT, CONSULTANT'S PLACE OF ORIGIN,  
DURATION OF STAY. UNTIL MID-1975, CONTRACTS NEGOTIATED  
WITH MOST CONSULTANT FIRMS AVERAGED \$5500 PER MAN/MONTH  
PLUS PER DIEM. IN LAST 3 MONTHS, AVERAGE FIGURE USED  
BY BANK HAS RISEN TO \$6000 ON BASIS ANTICIPATED 10  
PERCENT REMUNERATION INCREASE BY END OF YEAR; AND  
SINCE MOST CONTRACTS EXCUTED FROM NOW ON WILL INVOLVE  
CY 1976 DISBURSEMENT.

4. CONCLUDING STAFF COMMENT WAS THAT BANK IS NOT  
OBLIGED UTILIZE ALL CONSULTANT CHARGES SANCTIONED BY  
BD. IN ITS APPROVAL OF PROJECT DOCS., BUT THAT IN  
MAKING ESTIMATES, BANK MUST PROVIDE SUFFICIENT FUNDS  
TO REIMBURSE CONTRACTS ENTERED INTO WHICH MAY BE  
WITH FIRMS FROM QUOTE HIGHER COST COUNTRIES UNQUOTE.

5. FOLLOWING STAFF PRESENTATION INDIAN ALTERNATE  
DIRECTOR QUESTIONED CONSULTANT'S FEES; SAID BANK'S  
CONSULTANT SELECTION PROCEDURES WERE RAISING THE COST  
OF PROJECTS. HE ASKED ADB BOARD TO RE-EXAMINE PROCEDURES  
OF CONSULTANT SELECTIONS.

6. AFTER MEETING PRESIDENT TOLD US HE WAS SORRY WE  
RAISED THE SUBJECT SINCE IT GAVE THE INDIANS A CHANCE  
TO AGAIN RAISE THE ISSUE OF CONSULTANT SELECTION  
PROCEDURE. USADB FEELS THAT FURTHER QUESTINS AND  
DISCUSSIONS ALONG THESE LINES WILL BE COUNTER-PRODUCTIVE.  
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SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FEES, CONSULTANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA11520  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750286-0173  
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**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 MANILA 10854  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2003 by CunninFX>; APPROVED <20 NOV 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB ESTIMATES FOR CONSULTING SERVICES  
**TAGS:** EAID, EFIN, RP, ADB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006